

Trends

Ukraine Eurobonds Slide as Global Risk-Off Deepens; Ukraine 2036 Eurobond Yield Nears 14.5%

Ukraine's Eurobond market faced selling pressure as the ongoing unrest in the Middle East and elevated global oil prices continue to unsettle investors.

Indicative prices for sovereign Ukrainian Eurobonds fell about 2.8% on average last week. In particular, the Ukraine 2036 Eurobond dropped 3.4% to 57.4 cents on the dollar, implying a yield to maturity of about 14.5%.

The recently issued MHP 2029 Eurobond declined 1.5% from 102.9 to 101.4 cents on the dollar, implying a yield to maturity of about 9.8%. Three weeks ago, the bond traded at around 104.5 cents on the dollar.

Meanwhile, the Naftogaz 2028 Eurobond is currently quoted at around 78 cents on the dollar, implying a yield to maturity of roughly 18%.

In domestic UAH-denominated bonds the yield continued to edge down. The Finance Ministry offered the yield of 15.2% for the one-year issue, while the yield for two-year debt paper was set at 15.8%.

The latest macroeconomic statistics indicated that Ukraine's inflation stood at 7.6% YoY in February and the consumer prices rose by 1.0% MoM.

Ukrstat also reported final GDP figures for 2025 with the real growth of 1.8% (below expectations) and nominal GDP of UAH 8.9 tr. (USD 210bn).

In February, the EBRD halved its forecast for Ukraine's 2026 growth. The EBRD's Regional Economic Prospects report, published Feb. 26, projects real GDP growth of 2.5% in 2026 and 4% in 2027. In a previous report in September 2025, the EBRD had forecast 5% growth in 2026, assuming a ceasefire and gains from postwar reconstruction.

Highlights

- > Kyivstar reported EBITDA of USD 648mn for 2025, up 26% year-on-year.

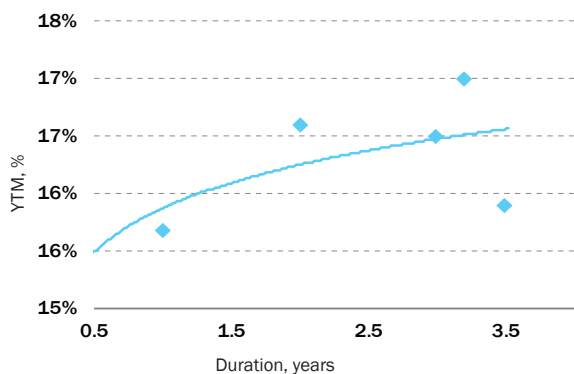
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

www.bank.gov.ua/en/about/support-the-armed-forces

The National Bank also opened fundraising account for Humanitarian Assistance to Ukrainians. Please see details under the link below:

www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine

UAH-DENOMINATED BOND YIELD CURVE



Source: Bloomberg, Eavex Capital

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.0%	0.0 p.p.	-0.5 p.p.
UAH 1-year bond yield	15.2%	0.0 p.p.	-1.2 p.p.
Ukraine-2029 yield	17.7%	1.1 p.p.	-0.3 p.p.
Ukraine-2036 yield	14.5%	0.6 p.p.	0.0 p.p.

CASH EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.35	0.9%	4.8%
EUR/UAH	51.10	0.1%	2.3%

Source: Eavex Capital

Kyivstar reported EBITDA of USD 648mn for 2025, up 26% year-on-year.

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NEWS

The Ukraine-based telecom operator, whose shares trade on the New York Stock Exchange, said revenue rose 25.9% to USD 1.16bn, while EBITDA increased 25.8% to USD 648mn. Reported net profit stood at USD 124mn, though the company indicated that adjusted net income would have reached USD 286 mn, up 1.1% year-on-year, after excluding one-off non-operating IPO-related expenses.

Telecom services generated USD 1.03bn in revenue, while digital services contributed USD 124mn. Capital expenditures totaled USD 351 mn during the year.

Kyivstar's subscriber base declined 2.8% to 22.4 mn users in 2025.

KYIVSTAR FINANCIALS			
USD mn	2024	2025	chg.
Net revenue	919	1,157	+25.9%
EBITDA	515	648	+25.8%
margin	56%	56%	0 p.p.
Net Income	283	124	-56.3%
net margin	30.8%	10.7%	-20 p.p.

Source: Company data.

COMMENTARY

Kyivstar (KYIV) shares fell 6.8% over the past week to USD 11.07, implying a market capitalization of about USD 2.6bn. Since the beginning of the year, the stock has lost about 15%, reflecting both the broader negative trend in equity markets and investor disappointment that peace negotiations related to the war in Ukraine have yet to deliver tangible results.

From the financial report, the decline in the subscriber base and management's conservative EBITDA growth guidance of 5%–8% for 2026 may be viewed as negative signals for investors.

At the same time, Kyivstar trades at a relatively low EV/EBITDA multiple of about 4.0x, which leaves room for a potential share price rebound should positive developments emerge regarding a possible end to the war.

The company also noted that the reported net profit of USD 124mn for 2025 includes USD 162 mn in one-off non-operating expenses related to the IPO. Adjusting for these costs implies underlying net income of roughly USD 286 mn.

The company's fourth-quarter performance supports this assumption, as net profit reached USD 90mn in 4Q25. Based on this run rate, Kyivstar's annual net profit could exceed USD 300mn, implying a price-to-earnings (P/E) ratio of about 8.5x.

SELECTED UKRAINIAN EURO BONDS								
Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings ¹
Sovereign Eurobonds								
Ukraine, 2029	75.0	-2.1%	17.7%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	62.6	-2.2%	12.8%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	59.6	-2.9%	15.0%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	58.2	-3.3%	14.8%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	57.4	-3.4%	14.6%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	101.4	-1.5%	9.8%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	94.6	-0.4%	10.5%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	78.5	-0.8%	22%	5.00%	31 Dec 2027	1,645	USD	//
Metinvest, 2026	98.5	0.3%	n/a	8.50%	23 Apr 2026	648	USD	Caa3//CCC
Metinvest, 2029	87.8	0.0%	11.9%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2026	78.0	-0.6%	18.8%	7.625%	8 Nov 2026	500	USD	//
Ukrainian Railways, 2026	78.7	-0.6%	n/a	8.25%	9 Jul 2026	500	USD	/CC/C

¹ Moody's/S&P/Fitch

Source: Boerse-Berlin, Boerse-Stuttgart. TR Data, Eavex Research

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